



Thermal Energy Acquires Boilerroom Equipment Inc.

Complementary product offering and increased distribution network present significant cross-selling opportunities

OTTAWA, ONTARIO – June 29, 2018 – [Thermal Energy International Inc.](#) (“Thermal Energy” or the “Company”) (TSXV: [TMG](#)), a global provider of industrial and institutional energy efficiency solutions, today announced that it has acquired all of the outstanding shares of privately held Boilerroom Equipment Inc. (“BEI”) based just outside of Pittsburgh PA., This acquisition is part of the Company’s strategy to develop a broad portfolio of thermal energy efficiency solutions targeted at the industrial, institutional and commercial markets and become a unique one-stop-shop for all of its clients’ thermal energy efficiency and heat recovery needs.

Based in Export, Pennsylvania, BEI engineers and manufactures the HEATSPONGE® brand of best-in-class indirect contact heat recovery units for use in both commercial and industrial steam and hot water applications. The acquisition of BEI is expected to provide Thermal Energy with the following immediate benefits:

- Expanded complementary product offering to include indirect contact heat exchangers
- Increased distribution network, including immediate access for all current TEI offerings to over 40 independent reps covering the U.S. as well as an established and direct boiler OEM sales channel
- Expansion into commercial buildings and hot water boiler markets
- Proprietary, scalable automated proposal development software, “BRUCE”
- Sales, marketing, engineering, and project management expertise and efficiencies with scalable operating platform
- Vertical integration of an ASME code fabrication facility in the United States

“The addition of BEI supports our growth strategy by expanding our team, distribution and product offering,” said William Crossland, CEO of Thermal Energy. “This makes Thermal Energy the only known global supplier of direct and indirect contact heat recovery systems. In the past, these two options have competed against each other, but now Thermal Energy has brought them together. As the global market moves more towards sustainability, the effective use of waste heat becomes paramount. Whether waste heat is used directly at the client site, or used to produce cooling or electricity at neighbouring sites, the market for waste energy is extensive. With this acquisition, we are uniquely positioned to take advantage of this existing trend. In this way, this transaction brings together two very complementary organizations and adds immediate shareholder value through increased sales and earnings. This acquisition provides us with a direct presence in the United States, strengthening our ability to manufacture, sell and support our solutions there. We also expect to benefit from BEI’s strong United States distribution network and established boiler OEM relationships. Similarly, there is potential for further growth using Thermal Energy’s global footprint to accelerate the

deployment of BEI's technologies. We are already very familiar with, and impressed by, BEI's products, having integrated them into several of our projects over the years."

"I would also like to take this opportunity to welcome Vince Sands, P.E. co-founder and current President of BEI, and his team to our company," added Mr. Crossland. "As a registered professional engineer with a Bachelor of Science in Naval Architecture and Marine Engineering from the United States Merchant Marine Academy, Master of Business Administration studies, and a former United States Navy and US Coast Guard licenced engineering officer, Vince brings over 25 years of related industry experience and expertise to the combined business. In addition to being responsible for all sales, engineering and product development at BEI, Vince developed the heat transfer algorithms and computer code for their unmatched BRUCE engineering software."

Vince commented: "We are extremely pleased to be a part of Thermal Energy International. While I am very proud of the company we founded and built, we recognized that for BEI to achieve everything it is capable of would require partnering with a larger organization that can provide the resources it needs. It is my strong opinion that our HEATSPONGE line of steam boiler economizers represents the most advanced technology available to the global heat recovery market. Our SIDEKICK and RAINMAKER technologies have the potential to reshape the hydronic boiler market unlike any product since the development of the condensing boiler. We have invested over three years seeking the ideal acquisition partner and could not be more pleased in becoming a part of Thermal Energy. There is a real synergy between their direct contact and our indirect contact approach to heat recovery. Having supplied heat exchangers to Thermal Energy for years will make integration much smoother because of the established relationships. Their commitment to keep all current employees and manufacturing in place was paramount to our decision. Most importantly, they share my passion to establish HEATSPONGE as the global leader in indirect-contact heat recovery, which is going to make the next few years very exciting."

The acquisition expands Thermal Energy's complementary product offering to include BEI's indirect contact heat recovery products, which are scalable and customizable with minimal additional engineering. In addition to large industrial and institutional applications, these products are well-suited for the commercial market as well as smaller industrial and institutional sites that are not currently cost-effective for Thermal Energy's FLU-ACE® heat recovery systems.

The acquisition also provides Thermal Energy with access to an engineered products distribution network of independent manufacturers' representatives in the United States, Canada and parts of South America, as well as an established direct sales channel to boiler equipment manufacturers.

About Boilerroom Equipment Inc.

Boilerroom Equipment Inc. ("BEI") is a privately held U.S. company based in Export, Pennsylvania, focused on the design, engineering and manufacturing of its proprietary HEATSPONGE™ indirect contact heat recovery systems. BEI was founded in 2005 by Barry Alberts and Vince Sands, P.E. with the vision of producing the most advanced technology for the commercial and industrial boiler industries supported by a new generation of automated design software. Easily maintainable and available in various metallurgies best suited to each individual application, the HEATSPONGE

represents the state-of-the-art in global indirect contact heat exchanger design. Condensing, multi-stage designs are resulting in efficiency gains greatly exceeding older heat recovery technology. The HEATSPONGE SIDEKICK and RAINMAKER reflect a first-to-market technology that enables existing conventional efficiency boilers to be retrofitted to high efficiency condensing at far lower cost. All of BEI's indirect contact heat exchangers are supported by "BRUCE", an automated software system that provides the majority of sales engineering and proposal support for the product line in real time. With potentially thousands of different permutations of the SIDEKICK and RAINMAKER alone, this next generation of highly advanced heat exchangers could not be commercially viable without the support of the BRUCE design and optimization software.

About Thermal Energy International Inc.

Thermal Energy International Inc. is an established global supplier of proprietary, proven energy efficiency and emissions reduction solutions to the industrial and institutional sectors. We save our customers money and improve their bottom line by reducing their fuel use and cutting their carbon emissions. Our customers include a large number of Fortune 500 and other leading multinational companies across a wide range of industry sectors.

Thermal Energy is also a fully accredited professional engineering firm and by providing a unique mix of proprietary products together with process, energy and, environmental engineering expertise, Thermal Energy is able to deliver unique turnkey projects with significant financial and environmental benefits for our customers.

Thermal Energy's proprietary products include; [GEM™](#) - Steam traps, [FLU-ACE®](#) - Direct contact condensing heat recovery, and [Dry-Rex®](#) - Low temperature biomass drying systems.

Thermal Energy International Inc. has offices in Ottawa, Canada as well as Bristol, U.K., United States, Germany, Italy and China. The Company's common shares are traded on the TSX Venture Exchange (TSX-V) under the symbol TMG. For more information, visit our website at www.thermalenergy.com and follow us on Twitter at <http://twitter.com/GoThermalEnergy>.

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This press release contains forward-looking statements relating to, and amongst other things, costs and benefits of the acquisition of BEI. These statements contain words such as "anticipate", "expect", "could", "should", "may", "plans", "will", or similar expressions that are based on and arise out of our experience, our perception of trends, current conditions and expected future developments as well as other factors. These statements are not guarantees of future performance and involve a number of risks, uncertainties and assumptions. Many factors, some of which are outside of the Company's control, could cause events

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